

**REMARKS****I. Introduction****The Current Action:**

Rejects claims 1-4, 27-35, and 62-70 under 35 U.S.C. § 102(e); and

Rejects claims 4-26 and 36-61 under 35 U.S.C. § 103(a).

The Applicants respectfully assert, however, that each of claims 1-70 is patentable over the references of record, and respectfully ask the Examiner to withdraw the rejections.

**II. The Rejections Under 35 U.S.C. § 102(e)**

The Current Action rejects claims 1-4, 27-35, and 62-70 as anticipated by Katz et al., U.S. Patent No. 6,424,706 (hereinafter *Katz*). However, M.P.E.P. § 2131 requires that a reference teach each and every limitation of a claim before it can be considered anticipatory, and the Applicants respectfully assert that each of claims 1-4, 27-35, and 62-70 contain limitations not taught by *Katz*.

Claim 1 describes a system that detects fraud in the use of prepaid services. At page 2, the Current Action contends that “Katz discloses a system and method for reducing fraud in pre-paid phone systems,” but the Applicants respectfully disagree. *Katz* is a system that facilitates the trading of pre-purchased time. The specifics of the service for which that time were originally purchased do not appear to be relevant, and *Katz* does not appear to discuss detecting fraud in the use of that service. The fraud related disclosure of *Katz*, found at column 21 lines 9-47 and embodied in Figures 7a-77d, is limited to the setting of upper limits on the types and amounts of transfers that take place between the customer accounts. The system of claim 1, in contrast, uses information about the services provided and information about the prepaid account credit to determine a fraud detection subscriber account balance. Control logic can then use this fraud detection subscriber account balance to detect a fraud condition in a manner that is indent of any determination of the prepaid account balance. The Applicants respectfully assert that, because *Katz* does not teach these limitations, *Katz* does not anticipate claim 1. The Applicants respectfully ask the Examiner to withdraw the 35 U.S.C. § 102 rejection of claim 1.

Claim 27 describes a method for detecting fraudulent use of a service network. The method of claim 27 detects fraud by interfacing the fraud detection system to the service network, and generates transaction information associated with a communication of subscriber information. The transaction information is then used to determine service value, from which a fraud condition is determined. The Applicants respectfully assert that *Katz* does not teach any of these limitations. The only fraud determination performed by *Katz*, found at column 21 lines 9-47 and embodied in Figures 7a-77d, is the setting of upper limits on the types and amounts of transfers that take place between consumer accounts. Because *Katz* does not teach these limitations, *Katz* does not anticipate claim 27. The Applicants respectfully ask the Examiner to withdraw the 35 U.S.C. § 102 rejection of claim 27.

Claim 62 describes a method of detecting the fraudulent use of a telephone network. As described above, the Applicants respectfully disagree with the Current Action's assertion, at page 2, that "Katz discloses a system and method for reducing fraud in pre-paid phone systems," and respectfully point out that *Katz* teaches a system that facilitates the transfer of pre-purchased time from one consumer to another. Nothing in *Katz* detects the fraudulent use of a telephone network. The only fraud determination utilized by *Katz*, sets upper limits on the types and amounts of transfers that can take place between consumer accounts. Claim 62, in contrast, detects fraudulent use of a telephone network by, in part:

- interfacing said call data record server to said telephone network;
- accepting subscriber call information from said telephone network at said call data record server, wherein said subscriber call information is accepted by said call data record server substantially at the completion of an associated call;
- determining a value of a subscriber call using said accepted subscriber call information;
- determining a call data server subscriber account balance using said determined subscriber call value and said accepted prepaid account credit information;
- comparing said determined call data server subscriber account balance to said threshold value; and
- determining if an unacceptable level of fraud is associated with a particular subscriber prepaid account as a function of said comparison

The Applicants respectfully assert that *Katz* does not teach any of these limitations. *Katz* does not teach interfacing with a telephone network. *Katz* does not teach accepting subscriber call information. *Katz* does not teach determining the value of a subscriber call. *Katz*

does not teach determining a call data server subscriber account balance. *Katz* does not teach comparing the call data server subscriber account balance to a threshold value, and does not teach determining a level of fraud from that comparison. Because *Katz* fails to teach these limitations, *Katz* does not anticipate claim 62.

Claims 2-4 depend from claim 1, claims 28-35 depend from claim 27, and claims 63-70 depend from claim 62. Thus, each of claims 2-4, 28-35, and 63-70 inherit all of the limitations of their respective base claim. While each of claims 2-4, 28-35, and 63-70 recites limitations that make it patentable in its own right, each of claims 2-4, 28-35, and 63-70 is at least patentable for depending from a patentable base claim. Therefore, the Applicants respectfully ask the Examiner to withdraw the rejections of record for claims 2-4, 28-35, and 63-70.

### III. The Rejections Under 35 U.S.C. § 103(a)

The Current Action rejects claims 4-26 and 37-61 as obvious in light of *Katz*, *Osmani et al.*, U.S. Patent No. 5,815,807 (hereinafter *Osmani*), and *Morgan*, U.S. Patent No. 6,064,875 (hereinafter *Morgan*). However, in order to establish a prima facie case of obviousness based on this combination, three basic criteria must be met. First, there must be some suggestion or motivation to combine the reference teachings found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. Second, the combination must have inspired a reasonable expectation of success. Third, the combination must teach or suggest each and every limitation of the rejected claims. *See* M.P.E.P. § 2143. Without conceding the second criteria, the Applicants respectfully assert that the Current Action fails to forward a proper motivation for combining the references it proposes to combine, and respectfully point out that, even when combined, the references do not teach or suggest all of the limitations of the rejected claims.

#### A. There is No Motivation to Combine the Proposed References

The Current Action uses *Katz* as a base reference, and modifies its teachings with those of *Osmani* in order to meet the limitations of claims 4-20 and 36-58, and with *Osmani* and *Morgan* in order to meet the limitations of claims 21-26 and 58-61. As the sole motivation for these modifications, the Current Action states that “it would have been

obvious to one of ordinary skill in the art to combine the teachings of *Katz*, *Morgan*, and *Osmani* in order to obtain greater security with greater efficiency in wireless communication.” However, the Applicants respectfully point out that *Katz* is not directed to wireless communication. *Katz* is directed to the trading of pre-purchased time. The services for which that time was originally intended are not particularly relevant to *Katz*’s invention, and the efficiency of those services do not appear to be discussed at all. Thus, there is no motivation to modify its teachings to improve that efficiency. The Applicants respectfully remind the Examiner that “the mere fact that references can be combined . . . does not render the resultant combination obvious unless the prior art also suggests the desirability of that combination.” See M.P.E.P. § 2143.01. The Current Action forwards no reason why it would be desirable to modify the teachings of *Katz* with the teachings of either *Osmani* or *Morgan*. Thus the Current Action forwards no motivation for combining these references, and fails to establish a prima facie case for rejecting claims 4-26 and 36-61. The Applicants respectfully ask the Examiner to withdraw the 35 U.S.C. § 103(a) rejections of record.

B. When Combined, The Proposed References do not Establish a Prima Facie Case

Claims 4-20 and 36-58 are rejected as obvious over a combination of *Katz* and *Osmani*, while claims 21-26 and 59-61 are rejected as obvious over a combination of *Katz*, *Osmani*, and *Morgan*. However, claims 4-26 and 36-61 depend from claims 1 and 27, respectively, and, thus, each of claims 4-26 and 36-61 inherits all the limitations of its respective base claim. As demonstrated above, *Katz* does not teach or suggest utilizing a fraud detection subscriber account balance to determine a fraud condition in an associated subscriber account, as required by claim 1, and *Katz* does not teach or suggest determining a fraud condition as a function of accepted prepaid account credit information and determined value of the service, as required by claim 27. While not relied on to do so, the Applicants respectfully assert that neither *Osmani* nor *Morgan* teach or suggest these limitations either. Instead, *Osmani* detects fraud by monitoring the remaining power in a wireless device, and *Morgan* reduces fraud by prohibiting out of network connections for accounts that are not prepaid. Therefore, the combination of *Katz* and *Osmani* does not teach or suggest all of the limitations of claims 4-20 and 36-58, and the combination of *Katz*, *Osmani*, and *Morgan* does not teach all of the limitations of claims 21-26 and 59-61. The Current Action does not,

therefore, establish a prima facie case for rejecting these claims, and the Applicants respectfully ask the Examiner to withdraw these rejections.

IV. Conclusion

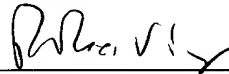
In view of the above amendment, applicant believes the pending application is in condition for allowance.

Applicant believes no fee is due with this response. However, if a fee is due, please charge Deposit Account No. 06-2380, under Order No. 47524/P120US/10023619 from which the undersigned is authorized to draw.

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Respectfully submitted,

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